THE
Dan Smoot Report

Vol. 16, No. 45 (Broadcast 794) November 9, 1970 Dallas, Texas

DAN SMOOT

TRYING TO FOOL ALL THE PEOPLE ALL THE TIME

On May 28, 1969, President Nixon reported that his administration had "intensively examined our programs of foreign aid," had "measured them against the goals of our policy and the goad of our conscience," and had "come to this central conclusion: U.S. assistance is essential to express and achieve our national goals in the international community — a world order of peace and justice."[1]

President Nixon said:

"Certainly our efforts to help nations feed millions of their poor help avert violence and upheaval that would be dangerous to peace."[1]

That is not true. Poor nations which have received vast amounts of U.S. aid have suffered inordinately from violence and upheaval: Bolivia, Chile, Peru, Pakistan, Congo, Guatemala, Algeria, Dominican Republic, Haiti, Jordan, India, Vietnam, Korea, Indonesia — to name only a few.

President Nixon said:

"Certainly our military assistance to allies helps maintain a world in which we ourselves are more secure."[1]

That is not true. We *were* secure before foreign aid. Now, thanks to foreign aid and related policies, we are more dangerously insecure, militarily and economically, than ever before.

President Nixon said:

"Certainly our economic aid to developing nations helps develop our own potential markets overseas."[1]

That is not true. Before foreign aid, America dominated world trade. Now, foreign goods undersell American goods all over the world. Our "markets overseas" were so big and so secure before foreign aid that we had an almost-unbroken fifty-year record of annual balance-of-payments *surpluses* (selling more abroad than we bought). Since foreign aid began, we have had annual balance-of-payments

THE DAN SMOOT REPORT is published weekly by The Dan Smoot Report, Inc., Box 9538, Dallas, Texas 75214 (office at 6441 Gaston Ave.). Subscriptions: $22.00 for 2 years; $12.00, 1 year; $7.00, 6 months. Dan Smoot was born in Missouri, reared in Texas. With BA and MA degrees from SMU (1938 and 1940), he joined the Harvard faculty (1941) as a Teaching Fellow, doing graduate work in American civilization. From 1942 to 1951, he was an FBI agent; from 1951 to 1955, a commentator on national radio and television. In 1955, he started his present independent, free-enterprise business: publishing this REPORT and abbreviating it each week for radio and TV broadcasts available for commercial sponsorship by business firms.

Copyright by Dan Smoot, 1970. Second Class mail privilege authorized at Dallas, Texas.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

deficits — which total $44 billion for the 1950-1969 period.[2]

President Nixon said:

"And certainly our technical assistance puts down roots of respect and friendship for the United States in the court of world opinion."[1]

That, too, is patently false.

President Nixon said his administration had intensively reviewed foreign aid programs, and he expressed certainty about their accomplishments. Nonetheless, he said he was "establishing a task force of private citizens to make a comprehensive review of the entire range of U.S. aid activities."[1]

Presidential "task forces," "blue ribbon committees," and "commissions" to review foreign aid have been as numerous as the program's name-changes and false promises.

The reviewing group is always composed of people from outside of government. This is intended to give the review high credibility with the public.

The foreign aid reviewing group is always composed of substantial people — prominent and successful in business, finance, labor unions, education, journalism, and so on. This adds credibility.

The foreign aid reviewing group is always composed of people who approve of foreign aid. This guarantees a report that will recommend bigger foreign aid programs.

On September 24, 1969, President Nixon appointed a 16-member task force of private citizens to review foreign aid. The chairman was a foreign aid enthusiast, Rudolph A. Peterson, then president of the Bank of America. The task force submitted its review (called the Peterson Report) on March 8, 1970.

In the preface to its report, the Peterson group said it had had "meetings with Members of Congress" and with citizens and groups representing a diversity of views and interests.

The group did not, however, solicit the views of the two Members of Congress who know the most about foreign aid: Congressman Otto E. Passman (who, as chairman of the Foreign Operations Subcommittee on Appropriations, manages foreign aid appropriations bills in the House) and Congressman H. R. Gross (a member of the House Foreign Affairs Committee). Passman and Gross both know, and say, that foreign aid has been extremely harmful to the United States which has given it, and to most of the nations which have received it.

The Peterson group did not seek the views of the Citizens Foreign Aid Committee, composed of such outstanding Americans as Brigadier General Bonner Fellers (USA, retired), Dr. Clarence Manion (director of the Manion Forum, former dean of the Notre Dame law school), Walter Harnischfeger (one of the nation's leading industrialists). The Citizens Foreign Aid Committee has studied foreign aid for ten years and has reached a conclusion identical with that of Congressmen Passman and Gross: it is a disastrous program which never should have been started, and ought to be stopped.

The "fresh and exciting" Peterson Report, as President Nixon called it, was as stale as the reports on foreign aid by President Eisenhower's "blue ribbon committees" in the 1950's. It recommended increasing foreign aid, channeling most of it through the United Nations, and funding it on a multi-year, partially-independent basis. That is exactly what Presidents and foreign aid "task forces" have been recommending since the early 1950's.

The Peterson Report contains a touch or two that would have been humorous if presented in jest; but, like all other propaganda pieces, the report is pompously serious. Writers of the Peterson Report were not jesting when they said we should increase our aid to developing countries

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

because *their* "debt burden . . . is now an urgent problem."[3]

But what a joke that is. *Our* national debt ($371 billion at the end of 1969, now about $375 billion) is *$67.3 billion more than the aggregate public indebtedness of all other nations on earth.*[2] Just the annual interest we pay on our national debt ($19 billion now,[4] expected to reach $20 billion next year)[5] represents a $100-a-year per capita tax on every person (man, woman, and child) living in the United States. What we pay out in interest on our national debt every year is more than the total indebtedness of many other nations. Indeed, it is more than our own national debt was in 1932, before Congress dragged us into socialism by approving President Roosevelt's New Deal.

The $375 billion U.S. debt represents only what the government has already borrowed and spent. It does not include the one trillion, 300 billion dollars that our government already has statutory obligations to pay in the future.[6]

The "debt burden" is a most "urgent problem" for us. It is a primary reason for the soaring inflation that is eating away some $50 billion a year from the savings and incomes of Americans. Yet, though sinking under our own burden of debt, we are told that we must increase that burden to lighten the load for other nations.

The developing nations do have a burden of debt, however; and, to a considerable degree, our foreign aid is responsible for it.

For example, our aid to Brazil ($2.8 billion since 1946)[2] encouraged the leftwing socialist president, Juscelino Kubitschek, in the late 1950's, to build, as a monument to himself, a new national capital — Brasilia, located in the uninhabited, inaccessible wilds of Goias, 600 miles inland from the Atantic coast where 95% of Brazil's population is concentrated. Within three years after it was dedicated, Brasilia was a decaying ghost town. The cost of maintaining Brasilia is enough to overburden the Brazilian economy. The debt Brazil incurred (borrowing to supplement U.S. aid) in building the useless city, caused wild inflation and shattered the nation's fragile economy.[7] Brazil would have been much better off if we had never given her a dime, and so would Pakistan (which has taken $4 billion in aid from us, and is *presently* building a costly, elaborate new capital city in an uninhabited desert)[8] — and so would every other underdeveloped nation where our aid has subsidized corruption and oppression, and has encouraged politicians to plunder impoverished people for grandiose, but worthless, "public works."

What to do? Force Congress to stop foreign aid!

FOOTNOTES

(1) *Congressional Quarterly Weekly Report*, May 30, 1969, pp. 863 ff.

(2) Congressman Otto E. Passman's 1970 report on foreign aid

(3) *Congressional Quarterly Weekly Report*, May 29, 1970, p. 1439

(4) *Human Events*, Sept. 19, 1970, p. 23

(5) *U. S. News & World Report*, Sept. 14, 1970, p. 12

(6) May 27, 1968, speech by Congressman Otto E. Passman

(7) *Dan Smoot Report* Bound Volume, 1963, pp. 57 ff.

(8) *New York Times*, April 10, 1970

Subscribe Today to The Dan Smoot Report

6 mos. $7.00 **– 1 YR. $12.00 –** 2 yrs. $22.00

THE DAN SMOOT REPORT
BOX 9538, DALLAS, TEXAS 75214
Telephone: TAylor 1-2303

Send reprints to your friends and suggest they order reprints too.
REPRINTS OF THIS ISSUE (for bulk mailing to one address):

1 copy	$ .25	50 copies	$ 5.50
6 copies	1.00	100 copies	10.00
25 copies	3.50	1000 copies	90.00

Texans Add 4¼% for Sales Tax
(Add 50c for special-handling postage)

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SUBSCRIPTIONS TO

THE DAN SMOOT REPORT

FOR CHRISTMAS

ORDER NOW. Gift subscriptions will begin with the first issue in 1971. A free copy of Dan Smoot's annual Christmas message (an abbreviation of his popular book, THE HOPE OF THE WORLD), a free copy of the Dan Smoot Story, and an attractive gift announcement card bearing your name, will be mailed to each gift recipient in time for Christmas. Please help us serve you efficiently by furnishing ALL information requested — AND PLEASE TYPE OR PRINT PLAINLY.

FREE: "The Invisible Government", library edition, for six subscriptions (which may include your own).

CHRISTMAS GIFT RATES (Not effective after December 31, 1970)

	Second Class Mail	First Class Mail
1 — 1-year subscription	$12.00	$16.00
2 or more 1-year subscriptions	11.00 ea.	15.00 ea.
2 or more 6-month subscriptions	6.50 ea.	8.50 ea.
2 or more 3-month subscriptions	3.50 ea.	4.50 ea.

(Inquire for foreign rates)

DO NOT LIST GIFTS HERE

Your Name_____ Please renew_____, or begin _____

Street_____ my own Subscription at the Christmas rate

City, State, Zip Code_____ for: 1 yr._____; 6 mo._____

Payment Enclosed:_____

(If you are an established customer of ours, you may write "Bill me" in the "Payment Enclosed" blank. We will bill you in January. All invoices are due on receipt.)

LIST GIFT ORDERS BELOW

Name_____

Address_____

_____

1 yr._____; 6 mo._____; 3 mo._____

Signature on gift card_____

Name_____

Address_____

_____

1 yr._____; 6 mo._____; 3 mo._____

Signature on gift card_____

Name_____

Address_____

_____

1 yr._____; 6 mo._____; 3 mo._____

Signature on gift card_____

Name_____

Address_____

_____

1 yr._____; 6 mo._____; 3 mo._____

Signature on gift card_____

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED